



**UNDERSTANDING “OPT-IN” –
YOUR OPTION TO INCREASE NOW**
GUINNESS IRELAND GROUP PENSION SCHEME

ABOUT THIS GUIDE

This explanatory guide contains information about a new option called “Option to Increase Now” (or “OPT-IN” for short) that Diageo is extending to you in relation to your pension.

As a pensioner in the Guinness Ireland Group Pension Scheme (the “Scheme”), you are being given the opportunity by Diageo (the “Company”) to receive a once-off, permanent increase in pension, in return for agreeing to forgo any potential future discretionary increases on your pension.

This guide, together with your personal offer letter and statement, provides you with further information on the OPT-IN offer and how you can get individual advice from a professional financial advisor paid for by the Trustee of the Scheme.

This option may benefit some members, but it will not be suitable for everyone, so it is important to take time to consider it carefully and to talk to the financial advisor.

If you are interested in learning more about this option and what it means for you, [register your interest by 18th March 2026](#) by returning the Expression of Interest form attached to your offer letter to arrange a virtual meeting with the financial advisor. Speaking to the financial advisor does not mean you have to take up this option.

CONTENTS

Key steps and important dates	3
About the OPT-IN offer	4
What should I consider before deciding?	6
OPT-IN website	10
Getting financial advice	11
Your questions answered	12
Contact details for the financial advisor	16

Financial advice information

This guide is here to help you make a decision. However, it is recommended that you take financial advice so that you fully understand your current benefits and the OPT-IN offer before making your decision. To help you consider your options, the Company has arranged for LifeSight Financial Advice to give you individual financial advice about the offer.

Information about financial advice is covered in more detail later in this guide.

KEY STEPS AND IMPORTANT DATES

The OPT-IN offer runs from the date of your offer letter to 23rd April 2026 and will allow you time to:

- ✓ Consider your OPT-IN offer
- ✓ Attend a virtual meeting with a financial advisor appointed to advise you on the offer and
- ✓ Make a decision

If you are interested in learning more about the offer, you must return an Expression of Interest form by email to advice.optin@wtwco.com or by post as outlined in your personal offer letter. LifeSight Financial Advice, the appointed financial advisor, will then contact you to arrange your appointment with them.

LifeSight Financial Advice will help you understand the potential risks and benefits of the OPT-IN offer and give you a personal recommendation of what they think you should do. The Trustee will meet these advisory costs, so you do not have to pay for this advice.

The latest date for returning the Expression of Interest form is 18th March 2026, but we would encourage you to return it sooner than this and your financial advice meeting will be arranged at an earlier date.

The OPT-IN offer closes on Thursday, 23rd April 2026. You should note therefore, that if you do wish to accept the offer, you will need to return the relevant documentation by 5 p.m. on 23rd April 2026.

Speaking to the financial advisor does not mean you have to take up this option.

The following summarises the key timelines in the offer:



ABOUT THE OPT-IN OFFER

A change in approach

Currently, under the rules of the Scheme, your pension may be increased each year at the discretion of the Company.

The Company has a stated pension increase policy which is reviewed from time to time. The latest policy can be found in the Appendix of your offer letter.

In deciding whether to exercise its discretion and if so, the amount of any increases, the Company will have regard to factors relating to the funding position of the Scheme and the trend in inflation.

Usually, when a discretionary increase is granted, it will be effective from 1st January and will be at the lower of the rate of price inflation since the last discretionary increase was granted and 3% per annum.

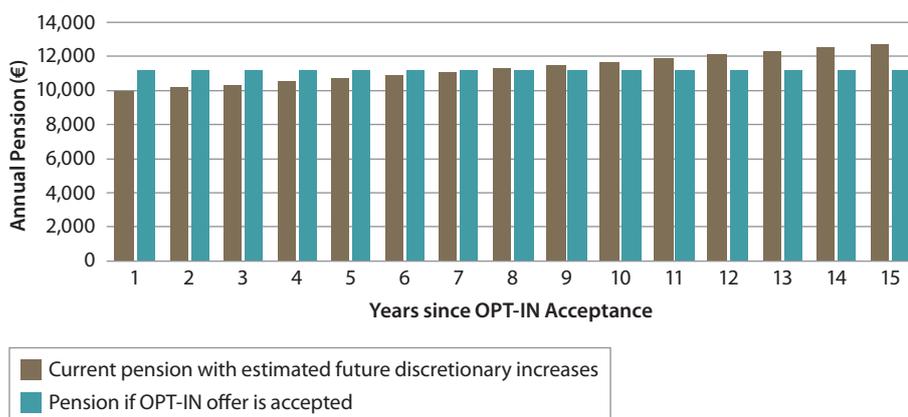
Also, while provision is made in the funding of the Scheme for future discretionary increases, no provision is made for increases on the portion of benefits relating to service accrued by members after 1st January 2020. This is only relevant to pensioners who were still in employment on that date.

It is important to note that while there is a pension increase policy in place, future increases are discretionary and are not guaranteed.

Discretionary increases to your pension help protect you against rises in the cost of living. By that we mean increases to your pension help you continue to buy the things you need, as the price of things like milk, bread, fuel etc. tend to go up over time.

The OPT-IN offer allows you to opt for a higher pension income now if you agree to forgo any potential future discretionary increases on your pension. An example of how this would work is set out in the graph below. Have a look at your offer letter and statement to see what this could mean for your income.

Graphical illustration of an OPT-IN



As you can see from the graph above, in this example, the person's current pension may increase each year if discretionary increases are granted by the Company. If they reject the OPT-IN (brown bars), they will continue to receive any future increases granted at the discretion of the Company. If they accept the OPT-IN offer (blue bars), their pension will instead increase with effect from **June 2026** and will remain at that level throughout the rest of their lifetime.



What are the terms of the OPT-IN Offer?

Under the OPT-IN offer, you have the option to receive a once-off, permanent increase in pension, in return for agreeing to forgo any potential future pension increases under the Company's discretionary increase policy.

For most people, the OPT-IN offer applies to all of their benefits. For a small number of pensioners, the OPT-IN offer only applies to the portion of their benefits relating to service with the Company prior to 1st January 2020 and this will be outlined in their offer letter, if applicable.

The uplift to be applied to your pension has been calculated by the Company's actuarial advisors to be equivalent in value to their best estimate of future discretionary increases to your pension. This calculation assumes that future increases continue to be awarded by the Company in line with the pension increase policy.

The uplift calculation uses best estimates about the future, including inflation and life expectancy (how long members may live). Please note that these are only estimates and for example, actual inflation in the future might be more or less than these estimates.

If you accept the OPT-IN offer, the uplift will be applied to your gross pension before any allowance for tax.

Whether the OPT-IN represents good value for you will depend on your own personal and financial circumstances. The financial advisor can help you to consider this and will make a recommendation on what they think you should do. You do not have to follow their advice.

If you accept the OPT-IN

- Your pension will be initially uplifted (increased) to a new, higher level with effect from June 2026.
- Your pension will no longer receive any future potential discretionary pension increases.
- Depending on how long you live, and the level of future discretionary increases awarded by the Company, there may be a point in the future when you are worse off financially by taking up the OPT-IN (as described later in the guide).
- Any benefits that are payable to your dependants on your death will also change if you take the OPT-IN.

If you do not accept the OPT-IN

- There will be no change to your pension, and you will not receive an immediate uplift.
- Your pension will continue to receive any future increases granted in line with the Company pension increase policy.
- Any benefits that are payable to your dependants on death will continue in the same way they do now and will be subject to any future discretionary increases granted in line with the Company pension increase policy.

WHAT SHOULD I CONSIDER BEFORE DECIDING?

Why is the OPT-IN being made available?

It gives you more choice

- Everyone has different personal circumstances and financial situations. These circumstances and your financial situation will affect your decision.
- The OPT-IN provides you with a new choice about how you receive your future pension.

It helps reduce the Scheme's risks

- If members choose the once-off OPT-IN increase, the level of inflation risk in the Scheme will reduce.
- This will mean that there is a greater level of predictability around future pension payments, and this will reduce the risk to the Company of running the Scheme.

What pension increases currently apply to my pension?

The pension increases that may currently apply to your pension at the discretion of the Company, are set out in your Personal Offer letter. If some of your pension relates to service with the Company after 1st January 2020, this is not covered by the OPT-IN offer and this will be outlined in your offer letter and statement.

What impact will the OPT-IN have on my pension?

Taking the OPT-IN will permanently change your future pension. It is important to take time to consider how this might affect you, and any benefits that may be payable on your death, before making a decision. Your decision is a personal one – the OPT-IN may or may not suit your personal circumstances and your lifestyle needs. The key things to consider are set out on this and the following pages.

Inflation (and the cost of living)

Inflation is the increase in the cost of living. When there is inflation, the cost of goods and services you pay for increases.

If you take up the OPT-IN you will initially be able to buy more with your pension, as your pension income will be higher. However, as prices rise, the amount you will be able to buy in the future will reduce as your pension will have no protection against future inflation.

Two things to think about are your cross-over and break-even ages. These are described on the next page and figures for both, based on your pension and varying inflation rates, are shown in your Personal Statement.



The cross-over age

This is the age when your pension, if you do not take the OPT-IN option, is expected to become bigger than the pension you would get if you do take the option.

If you take the OPT-IN option:

- You would expect to receive a higher pension income until your cross-over age than if you hadn't taken the option;
- You would expect to receive a lower pension income after your cross-over age than if you hadn't taken the option.



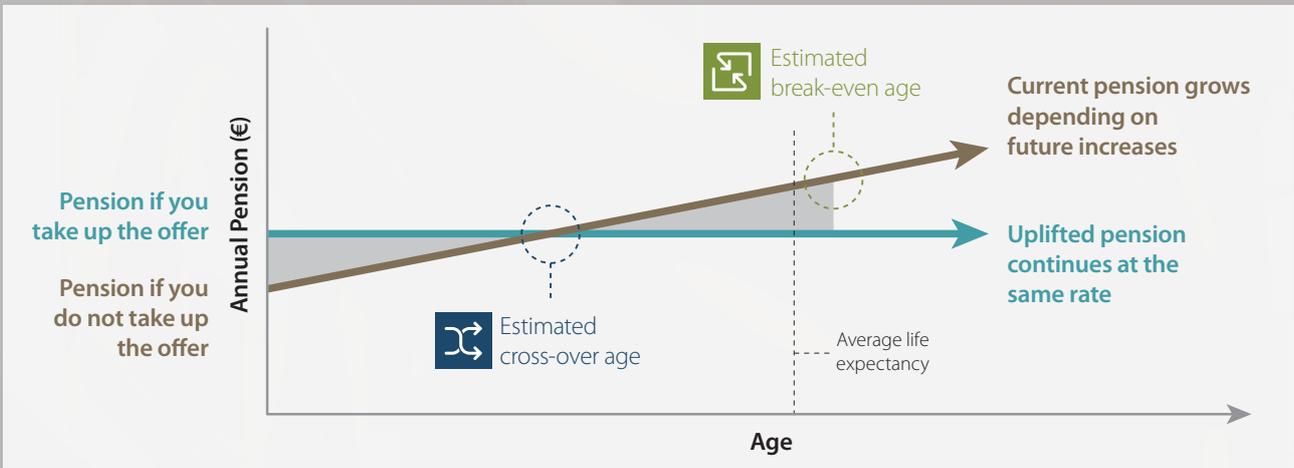
The break-even age

This is the age when the total pension income you would receive if you do not take the option becomes higher than the total pension income received if you do take the option.

If you take the OPT-IN option:

- Your total pension income is expected to be higher until your break-even age than if you hadn't taken the option;
- Your total pension income is expected to be lower after your break-even age than if you hadn't taken the option.

How cross-over and break-even ages work



Lifestyle and personal circumstances

You may prefer a higher pension income now in return for forgoing any potential future pension increases under the Company's discretionary pension increase policy.

The idea of more money now is attractive, but there is a trade-off between more now and potentially less, later in life (see Inflation on an earlier page and Life expectancy on the next page).

As well as thinking about what you could spend the extra money on, make sure you think about your income and outgoings. You should consider how this may change in the future and not just focus on today. Will your outgoings reduce as you get older, or will they be about the same level as now?

For example, you may currently have a loan outstanding, or you may still be supporting your children. If, in future, you expect to have lower outgoings, then extra money now may suit your lifestyle and personal circumstances better. However, if your outgoings in the future will be at about the same level as now or possibly even higher, you may place a higher value on future discretionary increases to help meet these higher outgoings.

Benefits payable on your death

If you have a spouse or civil partner who will be entitled to receive a pension from the Scheme when you die, their pension will also be adjusted if you decide to take the OPT-IN. As their benefits may not come into payment for some time, the loss of some future potential inflation protection on their pension may be greater for them.

If you are thinking of taking the OPT-IN, you may wish to discuss this with your spouse or civil partner as it will affect their pension entitlement too.

State benefits

Your eligibility for means-tested benefits will be based on your increased pension if you take the OPT-IN. If you are currently receiving means-tested benefits, you will need to consider if the OPT-IN might affect your eligibility for these benefits.

Your Contributory State Pension is not affected by taking the OPT-IN.



Life expectancy

It is important to bear in mind how long you and your spouse or civil partner expect to live.

If you or your spouse/civil partner are in good health and expect to live longer than the break-even age, then the OPT-IN may be less attractive to you as you would be expected to receive less pension in total. On the other hand, if you or your spouse/civil partner do not expect to live this long, the option might be attractive to you.

Your offer letter and personal statement gives you the average life expectancy for someone of your age and gender.

Your tax position

If you take the option, it will increase your income that is assessable for tax purposes. The increase may move you into a higher income tax band or take you over the Standard Fund Threshold.

You would then need to take any additional tax into account when making your decision.

The financial advisor will be able to talk you through any specific tax impacts.

Any other income

This option is only in respect of your benefits from this Scheme. It does not directly affect any pension or other income you may also be receiving from elsewhere (although see the section earlier regarding means-tested State benefits).

However, it is important to think about any other income you might be receiving from elsewhere when you consider this OPT-IN.

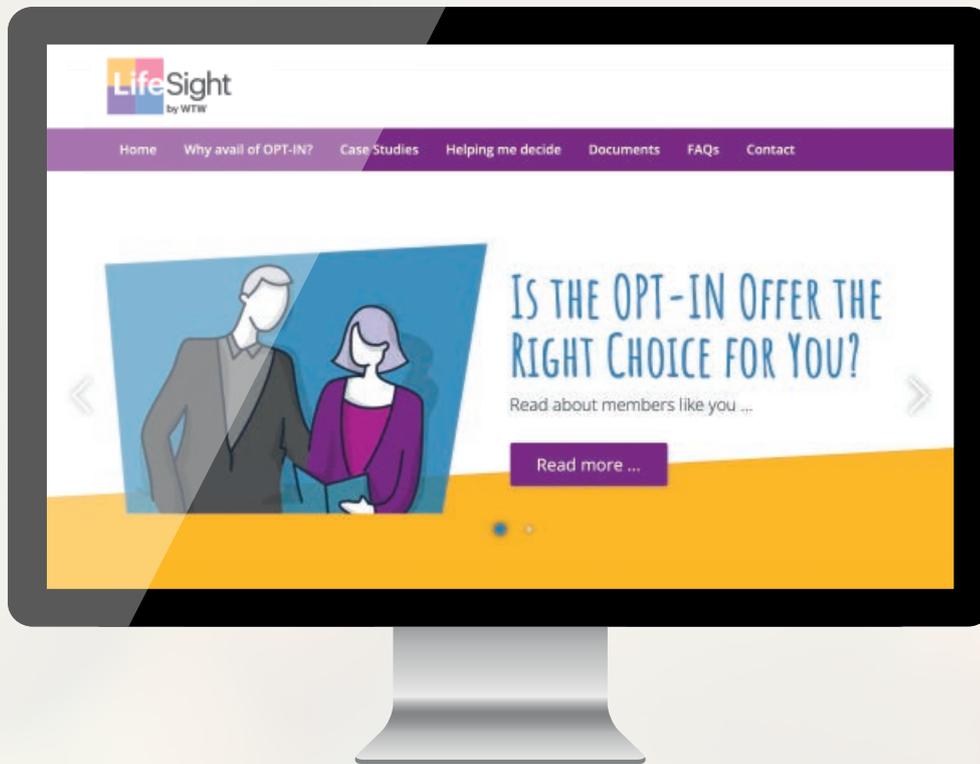
If your Scheme pension included in the OPT-IN is your main household income, you might be more concerned about the effects of inflation and place a higher value on the future potential discretionary pension increases. If so, you might feel the OPT-IN is not right for you.

On the other hand, if your Scheme pension included in the OPT-IN is not your main household income or you have inflation protection elsewhere, you may be less concerned about the effects of future inflation and might prefer a higher pension now.



OPT-IN WEBSITE

A website has been developed to help you to understand the OPT-IN – <https://diageo-opt-in.pensionrethink.ie>



This website contains information to help you make an informed decision about your OPT-IN such as:

- Information from the financial advisors setting out some of the key considerations;
- The advantages and disadvantages of accepting the OPT-IN;
- Sample case studies;
- Information on how to arrange a virtual meeting with the advisor and what happens next.

We would encourage all members to view the website to learn more about the OPT-IN. This will enable you to make a fully informed decision about whether you are interested in meeting the financial advisor to consider the OPT-IN offer in more detail and ultimately, whether you wish to accept the option.



GETTING FINANCIAL ADVICE

We recognise that it is difficult for members to consider an offer like this and make a decision. To help you get a full understanding of the offer and make your decision, LifeSight Financial Advice has been appointed by the Company to provide you with personal financial advice which must be received by members before the Trustee will accept a decision to take the OPT-IN.

The Trustee will pay the fees of the financial advisor we have appointed, and the amount paid will be the same regardless of their recommendation or whether you accept the option. The Trustee will only meet the costs of advice provided by LifeSight Financial Advice. If you wish to seek your own independent advice, the cost of this will not be met by the Trustee. However, it is very important to note that the advice provided to you will be independent of the Company and the Trustee and will be between you and the financial advisor only, as it will be tailored to your individual circumstances.

LifeSight Financial Advice is an advisory service offered by Willis Towers Watson Life and Pensions Limited, that is regulated by the Central Bank of Ireland. Any information you provide to the advisor will be treated confidentially and will not be shared with any other party or used for any other purposes. LifeSight Financial Advice will only provide summary information to the Company and the Trustee.

Receiving advice does not mean that you have to take the option.

What happens when I submit my Expression of Interest form?

LifeSight Financial Advice will contact you to book an appointment with one of their financial advisors.

They will send you a "Fact Find" document, which you will need to complete and return prior to your appointment. The "Fact Find" will ask you to provide personal data such as information about your spouse and dependants and details of any other pension arrangements you may have. Completion of the Fact Find will allow the advisor to tailor the advice to your individual circumstances.

During your meeting, the financial advisor will explain the OPT-IN offer in more detail and will discuss the risks and benefits associated with it to help you make your decision. They will also review a draft recommendation with you based on the information returned in your Fact Find.

The financial advisor will produce a final report providing you with a clear recommendation of whether or not the OPT-IN is in your best interest.

The acceptance form, which you will need to return if you want to take the OPT-IN, will also be provided by the financial advisors.

YOUR QUESTIONS ANSWERED

ABOUT MY CURRENT BENEFITS AND THE OPT-IN OFFER

1. WHAT OFFER IS BEING MADE?

You are being given the opportunity by the Company to receive a once-off, permanent increase in pension, in return for agreeing to forgo any potential future discretionary increases on your pension.

If you accept the offer, your pension will receive a once-off increase effective from your June 2026 pension payment and will remain fixed at that level, thereafter. If you reject the offer, there will be no change in your pension, and it will be subject to any discretionary increases granted in the future.

If some of your pension relates to service you completed after 1st January 2020, this will not be impacted by the offer.

2. ARE FUTURE INCREASES TO MY PENSION GUARANTEED?

No - currently, under the rules of the Scheme, your pension may be increased each year at the discretion of the Company. The Company has a stated pension increase policy which is reviewed from time to time.

Under the current policy, in deciding whether to exercise its discretion and if so, the amount of any increases, the Company will have regard to factors relating to the funding position of the Scheme and the trend in inflation.

Usually, when a discretionary increase is granted, it will be effective from 1st January and will be the lesser of the rate of price inflation since the last discretionary increase was granted and 3% per annum.

While provision is made in the funding of the Scheme for future discretionary increases, no provision is made for increases on the portion of benefits relating to service accrued after 1st January 2020.

3. CAN MY PENSION DECREASE IF INFLATION IS NEGATIVE IN THE FUTURE?

In periods of deflation, there will be no reduction in the level of your pension, although under the discretionary increase policy, the effects of the deflation may be taken into account in deciding on the appropriate level of increase to be given when inflation re-emerges.

4. COULD THE COMPANY WITHDRAW THE OFFER BEFORE THE IMPLEMENTATION DATE?

If financial, economic or legislative circumstances change significantly, the Company reserves the right, as a matter of ordinary business prudence, to withdraw this offer before any amendment is made to your pension.

MAKING A DECISION

5. HOW LONG IS THE OFFER PERIOD AND HOW DO I ACCEPT THE OPT-IN?

The OPT-IN is valid until 5pm on 23rd April 2026.

If you are interested in the OPT-IN, you will need to register your interest by returning the Expression of Interest form by e-mail to advice.optin@wtwco.com or by post as outlined in your personal offer letter.

You should express your interest as soon as possible, but not later than 18th March 2026. A meeting will then be scheduled with a financial advisor.

You will receive an Acceptance Form after your financial advice meeting. If you decide to accept the offer, you will need to complete and return this Acceptance Form at the latest, by 5pm on 23rd April 2026.

6. WHAT HAPPENS IF I DO NOTHING?

If you do nothing, your pension will continue to be paid as normal and may be increased on a discretionary basis each year. This OPT-IN option will no longer be available to you.

7. WHAT HAPPENS IF I CHANGE MY MIND AFTER ACCEPTING THE OFFER?

The offer provides for a 14 day 'cooling off' period, during which time you can change your mind. You may not change your mind after this period has elapsed.

ASSISTANCE BEING PROVIDED

8. WHAT ASSISTANCE IS AVAILABLE TO ME TO CONSIDER THE OPT-IN?

This guide and the personal offer letter you received provide detailed information in relation to the OPT-IN. You may also access the website (<https://diageo-opt-in.pensionrethink.ie>) to learn more about the OPT-IN.

If you have not yet submitted an Expression of Interest Form and have a specific question about your own OPT-IN offer letter, you can contact diageo.optin@wtwco.com

The Company has engaged a financial advisor, LifeSight Financial Advice, to provide you with advice in relation to the OPT-IN, at no cost to you. It is essential that you fully understand the potential consequences of the OPT-IN prior to accepting the offer. For this reason, members will be required to take this financial advice before they can avail of the OPT-IN. Once you submit an Expression of Interest Form, the Financial Advisor will be in contact with you directly. If you have queries about the offer, you can also contact the Financial Advisor by email at advice.optin@wtwco.com or by phone on **01-268 2500**.

9. IF I SPEAK TO THE FINANCIAL ADVISOR, DO I HAVE TO TAKE THE OPT-IN?

No. Speaking to the financial advisor does not oblige you to take up the option.

10. DO I HAVE TO FOLLOW THE ADVISOR RECOMMENDATION?

No. It is entirely your decision whether you decide to accept the OPT-IN. You may still decide to retain your current pension with the potential for future discretionary increases even if the financial advisor recommends that you accept the OPT-IN.

Similarly, you may decide to accept the OPT-IN even if the financial advisor recommends that you reject the offer. The Trustee may require written confirmation from you outlining the reasons you are not proceeding on the basis of the advice provided.

11. CAN I APPOINT MY OWN FINANCIAL ADVISOR?

You may also take advice from your own financial advisor if you wish, but this will be at your own expense. If you do use your own financial advisor, you should check whether your financial advisor is a pension specialist and is fully qualified to deliver the advice you require.

12. HOW WILL THE MEETINGS WITH THE FINANCIAL ADVISOR BE HELD?

The meetings with the financial advisor will be held virtually at a time suitable to you. Once you book an appointment, details of how you can join the meeting at the allotted time will be provided by the financial advisor.

13. CAN MY SPOUSE OR CIVIL PARTNER JOIN THE MEETING WITH THE FINANCIAL ADVISOR?

Yes, members may bring their spouse, civil partner or other family member to their individual meeting.

14. CAN I RECEIVE FINANCIAL ADVICE IF I LIVE OVERSEAS?

If you are a resident outside the Republic of Ireland, LifeSight Financial Advice are unable to provide you with a recommendation, but they can meet with you to explain the option and provide guidance.

STATE BENEFITS AND MEANS-TESTING

15. WHAT IS THE IMPACT OF ACCEPTING THE OFFER ON MY MEANS-TESTED STATE BENEFITS?

Some State benefits, such as the Medical Card, are means-tested and should you take the option to exchange your future discretionary pension increases for a higher pension, your entitlement to these means-tested benefits may be affected.

If you are in receipt of such benefits, you should disclose this in your Fact Find and the financial advisor can explain the impact.

16. WHAT IS THE "FAIR DEAL" SCHEME AND WHAT IMPACT HAS THE OPT-IN ON THIS?

Under the Nursing Homes Support Scheme ("Fair Deal") a percentage of your income and assets can be contributed towards nursing home care which may otherwise be prohibitively expensive.

The contribution from an individual towards the cost of care will depend on their level of income and the value of their assets. If you require care at some point in the future and elect to take the OPT-IN, then your contribution to the cost of care under this scheme would be based on your increased pension.

This contribution may be higher or lower than that had you not accepted the option, depending on the age at which you enter care. The concept of "cross-over age" set out in this guide and in your Personal Offer Letter may help you to consider this further.

Further information on the Fair Deal scheme can be found at: <http://www.hse.ie/eng/services/list/4/olderpeople/nhss/>

17. IS THERE ANY IMPACT ON MY PENSION FROM THE STATE?

This exercise will have no impact on your Contributory State Pension under the current rules. Further information on the State pension can be found at:

<https://www.gov.ie/en/department-of-social-protection/services/state-pension-contributory/>

If you have a means-tested State benefit, this may be affected, and you should raise this at your financial advice meeting.

OTHER QUESTIONS

18. WHAT IF I ACCEPT THE OPT-IN AND DIE BEFORE 1ST JUNE 2026?

If you accept the OPT-IN and die before **1st June 2026**, the option will still take effect and will apply to your benefits and to any benefits payable to your spouse or civil partner. However, in the unfortunate event you pass away during the 14 day cooling off period, the OPT-In option will not take effect.

19. WILL I PAY TAX ON THE INCREASE TO MY PENSION?

Pensions are taxed as earned income. To the extent there is an immediate increase in your pension, there will be an immediate increase in your income and so you may pay more tax. The financial advisor can talk you through any specific tax implications, but, in broad terms, you are likely to pay a higher rate of tax if your higher pension income moves you into a higher income tax band.

For members with very large pension amounts, you may pay additional tax if the increase brings you above the Standard Fund Threshold (SFT). The financial advisor can advise on this once they receive details of all of your pension benefits. We expect that there will be very few members impacted by the SFT.

20. WILL THE OPT-IN BE REPEATED?

This is a once-off offer and the Company has no plans to make it available again to current pensioners.

21. WHAT IS THE ROLE OF THE TRUSTEE?

The OPT-IN described in this guide is being offered by the Company. The Company has discussed the option with the Trustee. The Trustee has reviewed the option and is satisfied that it is appropriate to offer the option to members. The Trustee cannot comment on whether the option is right for you.

22. WHAT IS THE CURRENT FINANCIAL POSITION OF THE SCHEME?

A full actuarial review of the Scheme was completed as at 31 December 2024 and the Company is currently paying the contributions recommended following that review. At the valuation date, there was a surplus on the Trustee funding basis. The Trustee has powers to require additional funding if a deficit emerges in the future.

Further information on the position of the Scheme can be obtained from the most recent Trustee Annual Report which members can request a copy of at any time.

CONTACT DETAILS FOR FINANCIAL ADVISOR

Call **01-268 2500** between 9:00am and 5:00pm, Monday to Friday.

Or you can email **advice.optin@wtwco.com** and they will respond.

Or you can visit the website and submit a query. The website address is:
<https://diageo-opt-in.pensionrethink.ie>

Disclaimer

Every effort has been made to ensure this Guide is as accurate as possible. However, if there are any discrepancies or conflicts between the information contained in this Guide and the relevant Trust Deed and Rules (which is the legal document which governs the Scheme) or law, then the Trust Deed and Rules and the law will take priority.

The content of this Guide has been based on prevailing legislation and Revenue rules, which are subject to change.

All calculations are for illustration purposes only.

The Trustee of the Scheme is aware of the OPT-IN offer being made. The OPT-IN offer is being made available by the Company.

As a matter of ordinary business prudence, the Company must reserve the right to withdraw the option prior to the closure of the option window in the event of, for instance, significant market movements.